

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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Voluntary - Public

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## Malaysia

**Post:** Kuala Lumpur

## Oilseeds and Products Update Jan

### Report Categories:

Oilseeds and Products

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### Report Highlights:

Malaysia's crude palm oil (CPO) production dropped 4.7 percent to 1.5 MMT in December 2009. A 9.3 percent drop in PO exports resulted in a higher carry-out stock level at the end of December. However, stronger overseas demand in January pushed the monthly average delivered CPO price to RM2,498/MT in for the month of January.

## **General Information:**

### **Executive Summary**

#### Production

The Malaysian Palm Oil Board (MPOB) reported that total crude palm oil (CPO) production dropped 4.7 percent to 1.5 MMT in December 2009, bringing the total CPO output to 17.6 MMT for CY2009. For December, Peninsular Malaysia's production dropped 6.9 percent while East Malaysia's output was also down by 2.2 percent. Compared to December 2008, output during December 2009 was 2.5 percent higher. The palms are experiencing a seasonal downtrend in output with a turnaround expected in March. Post now expects CPO output to be about 3.8 TMT during Jan-Mar quarter.

#### Price

With a strong overseas demand in January, the monthly average delivered CPO price rose from RM2,461/MT in December to RM2,498/MT in January. For comparison, the average CPO price for January 2009 was RM1,842/MT. Refined/Bleached/Deodorized (RBD) Palm Oil FOB average price also rose from US\$752/MT in December to US\$781/MT in January.

#### Stocks

Weaker PO exports resulted in a higher stock level at the end of December. Compared to December 2008, the stock level is higher by 244 TMT. However with the anticipated seasonal drop in CPO output in the Jan-Mar quarter, the stock level is expected to decline to 1.7 MMT by end of March.

#### Trade

A preliminary official report shows PO exports declined by 9.3 percent to 1.2 MMT in December. Cargo surveyor Societe Generale reported Malaysian palm oil exports rose 20.4 percent during January 1-25, compared to the corresponding period in December.

Exchange Rate: RM3.434 (Oct 29, 2009); RM3.409 (Nov 30, 2009); RM3.427 (Dec 31, 2009)  
RM3.413 (Jan 31, 2010)

#### Other Relevant Reports

Oilseeds & Products Annual (AGR Number MY9008)

<http://www.fas.usda.gov/gainfiles/200903/146337529.doc>

Oilseeds & Products: Lock-up Report January 2009 (ARG Number MY9035)

[http://gain.fas.usda.gov/Recent%20GAIN%20Publications/LOCK-UP%20REPORT\\_Kuala%20Lumpur\\_Malaysia\\_10-30-2009.pdf](http://gain.fas.usda.gov/Recent%20GAIN%20Publications/LOCK-UP%20REPORT_Kuala%20Lumpur_Malaysia_10-30-2009.pdf)

## Annual Situation

Changes in the PS&D table reflect slight revisions in official data.

	Revised 2007/08	Prelim 2008/09	Forecast 2009/10
(1,000 MT)			
Beg Stock	1,462	1,951	1,579
Production	17,567	17,257	18,200
Imports	462	829	700
Total Supply	19,491	20,037	20,479
Exports	14,644	16,097	15,880
Domestic Use	2,896	2,361	2,999
Ending Stock	1,951	1,579	1,600

### Quarterly Production for Palm Oil

	2008 1/	2009 1/	2008 1/	2009 2/	2009 1/	2010 2/
	Jul-Sep	Jul-Sep	Oct-Dec	Oct-Dec	Jan-Mar	Jan-Mar
(1,000 MT)						
Beg Stocks 3/	2,034	1,408	1,951	1,579	1,995	2,239
Prod- Pen. Mal	2,709	2,705	2,682	2,757	2,192	2,200
- East Mal	2,029	1,840	2,111	2,342	1,600	1,620
- Total	4,738	4,545	4,793	5,099	3,792	3,820
Imports	78	309	206	296	73	200
Total Supply	6,850	6,262	6,950	7,346	5,860	6,259
Exports 4/	3,899	4,100	4,305	4,188	3,862	3,920
Dom Disap 5/	1,000	583	650	547	632	599
End Stocks	1,951	1,579	1,995	2,239	1,366	1,740

1/ Revised;

2/ Forecast;

3/ Stocks include crude and refined for all Malaysia;

4/ Exports exclude shipments of fatty acid oil distillate  
and all intra-Malaysia trade;

5/ Residual

## Production

	2008	2008	2008	2008	2009	2009	2009	2009	2009
	Oct	Nov	Dec	Jan-Dec	Sep 1/	Oct /1	Nov	Dec	Jan-Dec
(1000 MT)									
CPO:									
Pen. Malaysia	906	940	836	10,130	870	1,114	851	792	10,121
East Malaysia	746	718	647	7,604	688	870	744	728	7,444
- Total /1	1,652	1,658	1,483	17,734	1,558	1,984	1,595	1,520	17,565
Palm Kernel: Malaysia	425	431	386	4,577	386	500	409	392	4,501
Palm Kernel Oil: Malaysia	179	201	199	2,131	158	212	207	194	2,096
Palm Kernel Meal: Malaysia	198	224	218	2,358	174	233	226	213	2,311

1/ Revised

## Prices

	Local Crude	RBD Palm Oil	RBD Olein	RBD Stearin
	RM/MT	US\$/MT	US\$/MT	US\$/MT
Jan 2009	1,842	575	609	438
Feb	1,898	583	600	430
Mar	2,027	577	613	446
Apr	2,402	679	744	576
May	2,744	820	832	754
Jun	2,445	742	741	706
Jul	2,115	623	646	576
Aug	2,412	707	729	652
Sep	2,232	663	691	631
Oct	2,154	659	677	612
Nov /2	2,199	668	691	623
Dec /2	2,461	752	764	696
Jan 2010 (till 29)	2,498	781	785	715

1/ Prices are for West Malaysia only (since January 2006),

2/ Revised

Exchange Rate: RM3.434 (Oct 29, 2009); RM3.409 (Nov 30, 2009); RM3.427 (Dec 31, 2009)  
RM3.413 (Jan 31, 2010)

## Stocks

	2008	2008	2008	2009	2009	2009	2009	2009
	Oct	Nov	Dec	Aug	Sep 1/	Oct /1	Nov 1/	Dec
(1,000 MT)								
Crude P. Oil	1,226	1,426	1,168	685	885	1,189	1,118	1,197
Processed PO	865	840	827	731	694	785	817	1,042
- Total PO	2,091	2,226	1,995	1,416	1,579	1,974	1,935	2,239
Palm Kernel	187	179	142	102	143	186	148	129
P. Kernel Oil	326	365	349	268	234	261	279	306

1/ Revised